



**Hon. Doris O. Matsui**  
Member of Congress

*Doris O. Matsui*

## **HEALTH INSURANCE REFORM**

### *Reducing Health Care Costs for Consumers*

The rising cost of health care in the United States is unsustainable. It threatens our economy, it undermines the small business structure, and it drives millions of people into bankruptcy. Across the country, more than 60 percent of all private bankruptcies are caused by exorbitant health-care and insurance costs. *This means that, in Sacramento alone, the status quo will push approximately 2,000 families into medical bankruptcy.*

The answer to this serious and growing problem is comprehensive health insurance reform. Reform will take major steps to limit the negative impact of growing health-care costs on Sacramento families:

- **BANS EXCESSIVE PREMIUM INCREASES:** It will be illegal for most insurance plans to raise their rates above levels deemed “excessive.”
- **TAX CUTS FOR CONSUMERS PURCHASING HEALTH INSURANCE:** Families that do not receive health insurance through an employer will receive significant tax credits to help them afford the cost of coverage. *For a family of four with household income of \$50,000 (the median income in Sacramento County is about \$57,000), the average tax credit will be \$5,800. Hundreds of thousands of households in Sacramento could qualify for these tax credits to help them afford insurance coverage.*
- **CAPS OUT-OF-POCKET COSTS FOR CONSUMERS:** Families that get their health insurance through an exchange or through a small business will have their out-of-pocket costs capped at an affordable level. Insurers could not charge individuals in this market more than \$6,200 in cost-sharing per year, and could not charge families in this market more than \$12,400 per year.
- **ELIMINATES THE MEDICARE PART D “DONUT HOLE”:** By 2020, the Medicare Part D “donut hole” that requires Part D beneficiaries to shoulder the entire cost of their prescription drugs over a certain threshold will be eliminated. *This will provide real cost relief to about 7,900 Medicare beneficiaries in Sacramento alone.*
- **REDUCES COSTS TO SMALL BUSINESSES:** Small employers will receive a tax credit worth up to half the amount of the employer contribution to health coverage, as long as the employer contributes at least 50 percent of the total premium cost. *More than 12,000 small businesses in Sacramento could benefit from this tax credit.*